

COMPANY'S INFORMATION

BOARD OF DIRECTORS

CHAIRMAN:

&

CHIEF EXECUTIVE:

Mr Habib Ullah

DIRECTORS:

Mian Muhammad Saleem Omer
Mian Naeem Omer
Mr.Hussain Ahmed Qureshi
Mr.Irshad Hussain Shah
Rao Khalid Pervaiz
Mr Shahid Anwar (Nominee of NIT)

AUDIT COMMITTEE:

CHAIRMAN:

Mian Muhammad Saleem Omer

MEMBERS:

Mian Naeem Omer
Mr.Hussain Ahmed Qureshi

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr.M.F.Zaman Qureshi F.C.A.

BANKERS:

PICIC Commercial Bank Limited
Prime Commercial Bank Limited
Saudi Pak Commercial Bank Limited

AUDITORS:

M/S Riaz Ahmed & Company
Chartered Accountants
2-A, ATS Centre, 30-West,
Fazal ul haq Road, Blue Area Islamabad

LEGAL ADVISER:

M/S Hassan & Hassan Advocates
PAAF Building,7-D,
Kashmir Egerton Road,
Lahore.

REGISTERED OFFICE & MILLS AT

Westridge, Rawalpindi
Telephone: 051-5480139-5480156
Fax: 051-5472755
E-Mail: dmtm@apollo.net.pk
E- Mail: dmtm@dmtextile.com.pk
Website: www.dmttextile.com.pk

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors are pleased to present before you the Financial Statements for the Half Year ended December 31, 2005 of the company along with the Auditors' Review report and append below the Financial Results.

1-Net Profit

The company earned after tax profit Rs.25.468 Million as compared to Rs.51.255 Million including Rs 40.587 Million extra ordinary items (relief granted by State Bank Of Pakistan) of previous half year ended on 31-12-2004. The profit before taxation was Rs 26.514 Million as compared to Rs 11.178 Million of previous half year.

2- Gross Profit

Gross profit of the half-year Rs 47.526 Million as compared to Rs 24.452 Million of the previous Half Year. Gross profit rates were 12.92 % and 8.89 % respectively resulting increase in GP rate by 4.03%.

3- Production Results

Half Year Ended December 31st		2005	2004
➤ Actual production yarn	Million Kgs	2.858	2.246
➤ Converted production yarn	Million Kgs	7.669	5.631
➤ Average count spun	No.	38.54	37.22
➤ Yield	%age	94.09	93.19

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4- Modernization

We are following BMR program to update our Machinery to achieve quality production efficiently. We have opened sight L/C for US \$ 814,500/- for import of Three Gas Generators for captive power and will be shipped on 21 February 2006.

5- Acknowledgement

The directors wish to place on record their acknowledgement for the cooperation extended by financial institutions. Appreciation is also due to the employees of the company for their hard work and devoted efforts for the betterment of the company.

For and behalf of the Board of Directors

Habib Ullah
Chief Executive

Hussain Ahmad Qureshi
Director

Rawalpindi dated 20-02-2005

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **D.M. Textile Mills Ltd** as at 31 December 2005, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the “ financial statements”) for the half yea then ended. These financial statements are the responsibility of the company’s management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the international Standard on review engagements 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The figures of the profit and loss account, cash flow statement and statement of changes in equity for the half year ended 31 December 2004 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2005.

Based on our review, except for the matter referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

ISLAMABAD

RIAZ AHMAD & COMPANY
Chartered Accountants